

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Elimination of CEA Salary Cap	REFERENCE NUMBER: 2006-006
DATE ISSUED: 02/17/06	SUPERSEDES:

This memorandum should be forwarded to:

Personnel Officers

FROM: Department of Personnel Administration
Policy and Operations Division

CONTACT: Debra Thompson, Staff Personnel Program Analyst
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Email: DebraThompson@dpa.ca.gov

Effective immediately, DPA eliminates the CEA salary cap and related annual reporting requirements, and delegates responsibility to all departments for their CEA compensation program. The change provides optimum flexibility to administer your CEA program consistent with applicable laws and rules.

Guidelines are outlined in [Section 8, Variable Compensation CEA](#), in the Civil Service Pay Scale, and [Sections 400 through 499](#), CEA Civil Service, in the DPA Classification and Pay Manual.

Department Responsibilities

- Document and justify the level determination for CEA positions.
- Limit compensation for non-physician and non-attorney CEA positions to the range of \$5768 to \$9830. Departments do not have authority to pay above the \$9830 rate.
- Justify the salary rate assigned to the individual based on level considerations, performance, and value to the department.
- Submit new CEA proposals, or significant changes in existing CEA concepts, to SPB for approval, and provide a copy to DPA.
- Submit a CEA Database Input Form (available on PIE under "Downloads") to DPA for changes in CEA positions.
- Submit copies of updated Key Position Descriptions, Duty Statements, and Organization Charts to DPA for the central CEA files.

Status Issues

SPB determines status issues based on the assigned level of the CEA position, not the salary of the individual. Status issues may include transfers, promotions, return rights, or reinstatements. Contact SPB before granting any movement of 10% or more, or a series of movements totaling 10% or more. SPB determines when examinations are required for the movement.

Levels and Salary

DPA treats the CEA Band (Class Code 7500) as one class for salary purposes, including determining the salary rate upon appointment to another class and CEA 90-day red circle rates.

The maximum rate of pay for non-physician and non-attorney positions is \$9830, at CEA Level 5. DPA currently restricts the \$9831–\$11,669 range to CEA positions specifically required to perform the duties of a physician or attorney. Because CEA-level physicians and attorneys must have specialized licenses and require unique compensation levels, DPA and SPB are establishing a separate CEA classification and salary band for them.

Some departments currently have non-physician and non-attorney CEA incumbents who are being paid above the CEA Level 5 rate. DPA will direct these departments to red circle the incumbents' salaries.

CEA Compensation Program

Now that the cap is gone, departments must be diligent and apply sound personnel and fiscal practices when managing their CEA programs. This includes compliance with related laws.

Government Code (GC) Section 19826 states that like salaries shall be paid for comparable duties and responsibilities. When determining compensation for CEA positions, consider the expertise and value of the incumbent and justify the amount is reasonable and equitable.

GC Section 20636 defines earnable compensation for retirement purposes. Salary increases provided for the sole purpose of enhancing the final year of compensation are strictly prohibited and should not occur under any circumstances.

Please refer questions on the cap elimination to Debra Thompson, at the phone number listed above, and any specific CEA level or compensation questions to your assigned DPA analyst. Questions related to establishing CEAs or related status issues should be directed to SPB, Jennifer Roche, CEA Specialist, at (916) 657-4322.

/s/Daryll Tsujihara

Daryll Tsujihara, Chief
Classification and Compensation Division